

Nacimiento Water Project

Nacimiento Project Commission Notice of Meeting and Agenda

Final
10-23-04

Thursday, October 28, 2004 – 4:00 pm
Templeton Community Services District Board Room
420 Crocker Street, Templeton CA

- I. Call to Order, Roll Call, and Flag Salute
- II. Public Comment
This is the opportunity for members of the public to address the Commission on items that are not on the agenda, subject to a three minute time limit.
- III. By-Laws, Procedures, and Conflict Code
Consider adoption of bylaws and procedures outlining the conduct of Commission meetings and acknowledge adherence to the proposed conflict code.
(RECOMMEND DISCUSSION, VERBAL MODIFICATIONS AND AS APPROPRIATE, ADOPTION)
- IV. Election of Officers
Accept nominations for Commission Chair and Vice Chair; elect Commission Chair and Vice Chair; acknowledge participant appointments of alternate commissioners.
(RECOMMEND ELECTION OF OFFICERS)
- V. Meeting Notes from August 26, 2004
Consider approval of the minutes of the prior meeting(s). (RECOMMEND APPROVAL)
- VI. Project Manager's Report
Overview remarks by the project management team on efforts in recent weeks and introduction to items on this agenda.
 - a. Project Design & Construction Approach
Report by project management team on proposed approach to bundling professional services contracts and construction contracts. (RECOMMEND THAT YOUR COMMISSION APPROVE THE PROJECT DESIGN/CONSTRUCTION APPROACH AND APPROVE THE PREPARATION OF RFPS/RFQS AND ADVERTISING FOR CONSULTING SERVICES.)

Commissioners

David Brooks,
Templeton CSD
Grigger Jones,
Atascadero MWC
Frank Mecham, City of
El Paso de Robles
Harry Ovitt, SLO
County Flood Control
& Water Conservation
District
Dave Romero, City of
San Luis Obispo

- b. Design Phase Financing
Outline design phase anticipated funding requirements. Describe alternatives for financing this in anticipation of revenue bond financing of the actual construction. (APPROVE PAYMENT PLAN CONCEPT AND SET DATE FOR AGENCY'S DECISION ON DESIGN PHASE FINANCING)

VII. Business Items

- a. Hiring of Project Manager
Report on recruitment efforts for Nacimiento Project Manager and discussion of job description. (RECOMMEND APPROVAL OF RECRUITMENT APPROACH)
- b. Extension of TJCross Contract
Consider extension of contract with Christine Halley, TJCross Engineers, for project engineering services. (RECOMMEND APPROVAL OF CONTRACT EXTENSION)
- c. Extension of Hamner-Jewell Contract
Consider extension of contract with Hamner-Jewell & Associates for right-of-way acquisition services. (RECOMMENDED APPROVAL OF CONTRACT EXTENSION)

Agenda materials can be reviewed at www.nacimientoproject.org or at County Government Center, Room 207, San Luis Obispo, CA. 781-5252.

The next meeting of the Nacimiento Commission is scheduled for December 9th at 4:00 pm at Templeton CSD offices.

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Nacimiento Project Commission
October 28, 2004

Agenda Item III – By-Laws, Procedures and Conflict Code

TO: Nacimiento Project Commissioners
FROM: Christine Halley, Project Engineer
VIA: Paavo Ogren, Deputy Director of Public Works – Administration
Date: October 28, 2004

Article 33 of the Delivery Entitlement Contracts reads as follows:

Article 33:
ESTABLISHMENT OF NACIMIENTO PROJECT COMMISSION

“In connection with its approval of this Contract, the Participant has appointed a representative of the Participant to sit on the Nacimiento Project Commission. The District covenants and agrees to call a first organizational meeting of the Commission within thirty (30) days of the Effective Date, in accordance with law and, particularly, the provisions of the Ralph M. Brown Act. The Commission shall meet at such intervals and at such places as it shall determine. The total number of votes that may be cast on any issue or proposition considered by the Commission shall be the sum of the number of Commissioners. The Commission member representing the District shall be entitled to vote in proportion to the number of Commissioners. The Commissioners representing the Participant and the Other Participants shall share the remaining votes in proportion to the Delivery Entitlement of the Participant and of each of the Other Participants.

“The purpose of the Commission shall be to review and approve all substantive matters pertaining to the construction and operations of the Nacimiento Facilities, including the annual budget; provided, however, that the Commission shall have no authority to contract, employ persons, or make expenditures. The Board of Supervisors may approve, alter, or return any said approval of the Commission. Furthermore, in every case that the Board alters or returns to the Commission any item or proposition approved by the Commission, the Board shall set forth in writing its findings that caused the Board to alter or return said item or proposition and shall do so only after holding a public hearing at which time the Commissioners shall have the right to appear and address the Board of Supervisors.”

While this provides an overview of the Commission and its purpose, by-laws and procedures are needed to specify such things as meeting dates and places, election of officers and their terms, and procedures for conduct of meetings.

Recommended Action: Adopt the attached Nacimiento Project Commission By-Laws and Procedures.

Draft Commission By-Laws October 2004¹

San Luis Obispo County Flood Control and Water Conservation District
Nacimiento Project Commission

Commission Bylaws

1. Mission statement. It shall be the mission of the Nacimiento Project Commission to guide the development of the San Luis Obispo County Flood Control and Water Conservation District's (the "District's") and All Participants' construction and operation of the facilities needed for conveyance of water from Lake Nacimiento to water purveyors within the District. "All Participants" are entities which have executed a Nacimiento Project Water Delivery Entitlement Contract ("Entitlement Contract").
2. Rights and obligations of the Nacimiento Project Commission. The rights and obligations of the Nacimiento Project Commission are derived from the Entitlement Contracts between the District and All Participants. The specific rights and obligations of the Commission are derived from the Entitlement Contract, particularly Article 33 which reads in full:

Article 33 Establishment of Nacimiento Project Commission. ¶

"In connection with its approval of this Contract, the Participant has appointed a representative of the Participant to sit on the Nacimiento Project Commission. The District covenants and agrees to call a first organizational meeting of the Commission within thirty (30) days of the Effective Date, in accordance with law and, particularly, the provisions of the Ralph M. Brown Act. The Commission shall meet at such intervals and at such places as it shall determine. The total number of votes that may be cast on any issue or proposition considered by the Commission shall be the sum of the number of Commissioners. The Commission member representing the District shall be entitled to vote in proportion to the number of Commissioners. The Commissioners representing the Participant and the Other Participants shall share the remaining votes in proportion to the Delivery Entitlement of the Participant and of each of the Other Participants.¶

"The purpose of the Commission shall be to review and approve all substantive matters pertaining to the construction and operations of the Nacimiento Facilities, including the annual budget; provided, however, that the Commission shall have no authority to contract, employ persons, or make expenditures. The Board of Supervisors may approve, alter, or return any said approval of the Commission. Furthermore, in every case that the Board alters or returns to the Commission any item or proposition approved by the Commission, the Board shall set forth in writing its findings that caused the Board to alter or return said item or proposition and shall do so only after holding a public hearing at which time the Commissioners shall have the right to appear and address the Board of Supervisors."

3. Indices of office. Each member of the Commission shall be duly appointed by the Participant the member represents. Written confirmation of the appointment shall take the form of a letter signed by a representative of the Participant's governing body or a resolution of the governing board of the Participant, confirming the appointment of the commissioner. Participant may appoint an alternate member to the Commission by the same means and that individual has the right to act in the absence of the primary member.
4. Removal from office. A Participant can remove its commissioner at will. A Participant shall appoint a replacement commissioner in accordance with the terms of section 3 of these By-Laws.
5. Commission Meetings. The Commission's meetings shall be noticed and conducted in accordance with the Ralph M. Brown Act, and in accordance with a set of written Rules of Procedures that the Commission adopts.
6. Voting rights. Each individual commissioner's vote shall be assigned the weight as directed by Article 33 of the Nacimiento Water Supply contract, which is reproduced in full in section 3 of these By-Laws.
7. Quorum. A quorum of commissioners is necessary for a Commission meeting. A quorum shall exist if both 1) a majority of individual commissioner and 2) commissioners representing a majority of voting rights are present.
8. Duties of the Commission. The Commission shall review and approve all substantive matters pertaining to construction and operation of the Nacimiento Facilities, including the annual budget. "Nacimiento Facilities" means all those facilities comprising the water delivery and treatment facilities bringing water from the Nacimiento Reservoir to the Participants, to be purchased under the terms of the Entitlement Contracts, including without limitation, the Nacimiento Project, any Additional Capital Project, as defined in the Entitlement Contract, and the land underlying the same and any easements or similar rights associated therewith or appurtenant thereto, as they may exist from time to time. "Substantive matters" shall include all matters requiring approval by the San Luis Obispo County Flood Control and Water Conservation District Board of Supervisors. Additional duties may be assigned to the Commission by the District's Board of Supervisors.
9. Limitations on Authority. The Commission shall have no authority to contract, employ persons, or make expenditures. Notwithstanding any authority granted to the Commission, any action of the Commission may be approved, altered or returned by the San Luis Obispo County Board of Supervisors as allowed in the Entitlement Contract.
10. The Nacimiento Project Manager shall occasionally review these By-Laws and make recommendations for change to the Commission.
11. Amendments to these By-Laws be by four-fifths vote of the Commission.

ⁱ Comments received in mid-October from J. Mark Atlas, legal counsel to the City of el Paso de Robles; Ken Weathers, CEO of Atascadero Mutual Water Company; Dave Romero, John Moss and Gary Henderson of the City of San Luis Obispo.

Draft Commission Rules of Procedures October 2004

San Luis Obispo County Flood Control and Water Conservation District
Nacimiento Project Commission

Commission Rules of Procedures

In order to provide for more expeditious handling of public business, these rules of procedure are adopted by the San Luis Obispo County Flood Control and Water Conservation District, Nacimiento Project Commission ("Commission") as of _____, 2004. Whenever possible, these rules are to be construed generally.

I. MEETINGS

- A. The Commission shall meet bi-monthly in regular session on the fourth Thursday of alternating months (even numbered months). All regular meetings will be open sessions in the Chambers for the Templeton Community Services District or other agreed-upon location.
- B. Business shall be conducted from 4:00 pm to 6:00 pm unless revised by a majority of voting members at a previous meeting or by consent of the Commissioners present. Business may be adjourned to 9:00 a.m. of the following day, or to a day and time as designated by the Commission.
- C. The order of business for the Commission shall be as arranged by the Nacimiento Project Manager and Commission Chair, except for matters set for a specific time by the Commission.
- D. A matter not on the agenda will not be considered except by unanimous consent of the Commission members present unless legally required.

II. ATTENDANCE

- A. The County Counsel or the Director of Public Works or his designee shall be available to attend meetings of the Commission.
- B. The Director of Public Works or his designee shall be present at all meetings of the Commission to fulfill the duties of the Clerk of the Commission, and to be available to discuss issues with the Commission.

III. PUBLIC COMMENT

- A. All persons desiring to speak on agenda items other than hearings during the meeting, or during the Public Comments portion of the agenda, shall be invited to speak by the Chair. Persons appearing at meetings of the Commission making presentations/remarks shall first be recognized by the Chair and give their names and residences.
- B. There will be a portion of the agenda set aside for members of the public to directly address the Commission on items of interest. A total of 15 minutes will be allocated for the Public Comment period and each individual speaker will be limited to a 3 minute presentation. The Chair (or a Commission majority) may refer any issues that arise during this period to staff for appropriate action. Comments will be limited to issues over which the Commission has jurisdiction and items that were not listed on that day's agenda for public hearing. In addition, comments may not address issues relating to pending

claims or litigation against the County or District or to matters involved in current labor negotiations.

- C. Public Comment remarks should be directed to the Chair and the Commission as a whole and not to any individual thereof. No person will be permitted to make slanderous, profane or personal remarks regarding any individual.
- D. Any member of the Commission may briefly comment at the conclusion of public comment on any issue brought up during the public comment period.

IV. PROCEDURE

- A. A Commission Order is generally a directive to County Public Works Department employees. It need not be reviewed by the Commission in writing, as it generally applies only to one specific act. Commission Resolutions must be reviewed in written form before binding action is taken.
- B. At the first regular meeting of the calendar year, a Chair and Vice Chair shall be elected from amongst its members by majority vote of the Commissioners present. Chair and Vice Chair shall preside for one year. In their absence or inability to attend, a Chair pro tem shall be selected by the members present.
- C. When a motion is made by a Commissioner, it shall be stated to the Clerk by the moving Commissioner.
- D. No question on a motion shall be debated or put unless the motion has been seconded. When a motion is seconded, it shall be stated by the Chair before debate.
- E. A motion having been stated by the Chair, shall be deemed to be in possession of the Commission, but it may be withdrawn at any time before decision or amendment with the assent of the second.
- F. When a question is under debate, no new motion shall be received unless:
 - 1. To adjourn.
 - 2. To lay on the table.
 - 3. To consider the previous question.
 - 4. To postpone to a certain date.
 - 5. To commit to committee.
 - 6. To amend.
 - 7. To postpone indefinitely.
 - 8. These motions shall have preference in the above order.
- G. A motion to adjourn or a motion to fix time of adjournment shall be decided with debate.
- H. A motion to refer or lay on the table until it is decided shall include all amendments to the main question.
- I. A motion to consider the previous question shall preclude all amendment from debate to the main question and shall be put in the form "shall the main question be put to a vote."
- J. A member called to order shall relinquish the floor unless permitted to explain, and the Commission, if appealed to, shall decide on the case, but without debate. If there is no appeal, the decision of the Chair shall be final.
- K. Upon demand of any Commission member, or at the discretion of the Chair, the vote shall be by roll call, except that the vote on all resolutions shall be by roll call.

V. COMMITTEES

- A. The Chair, with majority consent of the Commission, shall appoint committees at such times as deemed necessary for the proper conduct of the business of the Commission.

- B. All orders of the Commission relative to committees shall specify the purpose of the committee, the length of time the committee shall serve, and the times and methods by which the committee shall report to the Commission.
- C. No committees appointed by the Chair of the Commission shall include in their membership more than two Commissioners, but may include as staff to the Committee any number of All Participant's staff or officials.
- D. The County Director of Public Works, or his or her designee, shall be staff to committees appointed by the Chair of the Commission pursuant to the foregoing rules and is hereby empowered to call meetings of such committees at such times as may be mutually agreed upon by the members of any such committee.

VI. AGENDAS

- A. Agendas for the Commission will be prepared by the Director of Public Works or his designee, who, in close consultation with the Commission Chair, shall have discretion as to set the agenda.
- B. Items for a Thursday agenda shall be submitted to the Director of Public Works or his designee by 9:00 a.m. of the preceding week's Monday (i.e. 10 days in advance of the meeting) by the person requesting the item, unless a legal holiday necessitates the moving of the agenda deadline.
- C. Agenda requests referred to in B- above shall be submitted in such form and contain such information as the Nacimientto Project Manager shall prescribe.
- D. Any item not on the agenda may be heard at any time by the Commission with the unanimous consent of all Commission members present. However, these are to be held to an absolute minimum, are to be based on urgent circumstances, and except when otherwise provided by law must be cases in which need for the item arose subsequent to the 72 hour agenda posting requirement.
- E. Whenever deemed advisable, in order to provide a guide for Commission action, the Nacimientto Project Manager shall recommend a course of action for items other than the Consent Agenda. (See F. hereafter.)
- F. The Nacimientto Project Manager may list such items as deemed advisable together with a recommended course of action for each under a Consent Agenda category. The Commission may withdraw any items from the Consent Agenda in order to change the recommended course of action, and by roll call vote then approve the remainder of the Consent Agenda, or by roll call vote may approve the Consent Agenda as submitted.

VII. Items referred to individual departments for action and/or study by the Commission shall be routed through the Nacimientto Project Manager. The Nacimientto Project Manager shall inform the Commission on a quarterly basis as to the current status of such communications, and as to which departments' final reports are still outstanding.

VIII. The Nacimientto Project Manager shall occasionally review these rules of procedure and make recommendations for change to the Commission.

IX. Amendments to these rules of procedure shall be by four-fifths vote of the Commission.

**Draft Commission Conflict of Interest Code
October 2004**

San Luis Obispo County Flood Control and Water Conservation District
Nacimiento Project Commission

**List of Designated Positions Subject to the
Provisions of the Commission's Conflict of Interest Code**

People holding the Designated Positions listed below ("filers") shall comply with this Nacimiento Project Commission's Conflict of Interest Code, and will disclose the financial-interests required for the indicated Disclosure Category.

Disclosure Category

1. Interests in real property located in whole or in part within the boundary of the San Luis Obispo County Flood Control and Water Conservation District ("District"). The District's boundary is the same as the County boundary.
2. Investments in and income from any business entity doing business within the District engaged in:
 - a. The acquisition, sale, lease or development of real estate within the District.
 - b. Construction or design of civil engineering projects, either as a contractor or subcontractor.
3. Investments in and income from any business entity which in the past one year period has furnished products or services to the District or, because of the type of product or service supplied, may with reasonable foreseeability provide products or services to the District in the next one year period.
4. Income of any business entity in which the filer or spouse owns a 10% or greater interest, which income is derived from a client or customer who with reasonable foreseeability could be materially affected by a District decision in which the filer participates. The filer must report the names of such clients or customers if the filer's pro-rated share of gross receipts from such client or customer was greater than \$10,000.

Designated Positions

Disclosure Category

Officials

Commissioners

1, 2, 3, 4

County Employees

1, 2, 3, 4

Director of Public Works

1, 2, 3, 4

Project Manager

1, 2, 3, 4

Nacimiento Project Commission

October 28, 2004

Agenda Item IV - Election of Officers

TO: Nacimiento Project Commissioners

FROM: Christine Halley, Project Engineer

VIA: Paavo Ogren, Deputy Director of Public Works – Administration

Date: October 28, 2004

Nominations for Chairperson and Vice Chairperson will be accepted and Commissioners will vote on filling those positions for the conduct of the meeting and in accordance with the proposed by-laws (Agenda Item III). As discussed at the August 26th meeting of the Commission, appointment of Alternates will also be discussed. Appointments for alternate commission members received as of the preparation of this meeting packet are Ken Weathers, alternate for Grigger Jones of Atascadero Mutual Water Company and Jim Heggarty, alternate for Frank Mecham of the City of El Paso de Robles. These additions are reflected in the updated project team directory in your Commission binders.

Recommended Action: Nominate and Elect a Chairperson and Vice-Chairperson for the Nacimiento Project Commission.

Nacimiento Project Commission

October 28, 2004

Agenda Item V – Meeting Notes from August 26, 2004

TO: Nacimiento Project Commissioners

FROM: Paavo Ogren, Deputy Director of Public Works – Administration

Date: October 28, 2004

I. OPENING – CALL TO ORDER

Interim Chairman Ovitt called the meeting to order at 2:05 p.m. with a quorum established.

Present: Frank Mecham, Grigger Jones, Dave Romero, Harry Ovitt, David Brooks

Absent: None

A. Pledge of Allegiance

B. Interim Officers – Commissioner Romero moved to establish Commissioner Ovitt as interim chair and Mike Nunley as interim recorder.

II. AGENDA REVIEW AND INTRODUCTION

Paavo Ogren Deputy Public Works Director, County of San Luis Obispo, discussed agenda items and provided handouts to Commissioners. He stated the intent for this first meeting was to open the dialogue and discuss project organization and implementation. He noted developing good, realistic expectations is critical to having a successful project. He noted that project activities had begun on the Nacimiento pipeline as part of the Paso Robles 13th Street Bridge Widening Project.

III. OVERVIEW OF POWERS OF COMMISSION

Mr. Ogren presented an overview of the commission's role and powers. According to the contracts, the commission will act on "substantive matters," and recommended a guideline as anything requiring Board of Supervisors approval. He also discussed the general expectation. The level of review by the Commission is expected to be greater than the level of review by the Board of Supervisors and not all items addressed by the Commission will be brought to the Board of Supervisors.

The meeting agendas will have two categories of items: A) administrative review items and B) Board/Commission approval items ("substantive matters").

Mr. Ogren provided a handout that summarized the voting rights of the commission. Chairman Ovitt asked if voting percentage was proportional to the entitlement requests. Mr. Ogren clarified that Chairman Ovitt's vote (as representative of the San Luis Obispo County Flood Control District) would be proportional to the number of commissioners. The remaining 80% of the vote (based on the current approved contracts) would be apportioned based on entitlement.

The Commissioners discussed what would occur if other purveyors join the project. Questions regarding the maximum number of participants and whether other purveyors

would become commissioners arose. Discussion ensued about having a quorum of votes without a quorum of commissioners.

Mr. Ogren explained that voting percentages would be reduced for all the participants if other purveyors sign on. The District representative's vote would also be diluted. No specific language in the agreements establishes a maximum number of commissioners. Mr. Ogren stated that the Board policy for the Nacimiento agreements leave the option open for revising contracts, if contract amendments are approved by all agencies.

The Commissioners discussed the need to construct bylaws. Mr. Jac Crawford of the County Counsel's office stated that County Counsel intends to serve as counsel for the Commission and will assist with development of bylaws. Mr. Ogren has pulled together examples of bylaws and will begin assembling them.

Commissioner Romero stated he would prefer that the size of the Commission be limited, perhaps establishing a maximum number of 5 to 7 commissioners. Commissioners Mecham and Ovitt agreed that the Commission did not want to exclude members but that they were concerned about the meetings not being productive with a large number of Commissioners. Jac Crawford stated that limiting the number of Commissioners will require contract amendments.

Frequency of meetings, terms for commissioners, and selection of alternates were discussed. Mr. Ogren stated that monthly meetings were anticipated, but frequency would depend on the level of review required by the Commission. The Commissioners tentatively discussed holding regular meetings at 4:00 PM on the 4th Thursday of the month, beginning on October 28th (moved by Commissioner Mecham, seconded by Commissioner Romero). Commissioner Romero moved to have the next meeting at the Templeton Community Services District Board Office and Commissioner Brooks seconded. Mr. Crawford recommended posting meeting notices at each Commission member's office. Chairman Ovitt requested that the establishment of bylaws be part of the October 28th meeting agenda. The Commissioners agreed to select their own alternates to attend meetings if a Commissioner is not available. Jac Crawford will look into any potential conflict with the Brown Act resulting from the use of staff as alternates, if agencies elect to do so. Chairman Ovitt moved to establish 1-year terms for the Chairman and Vice-Chairman of the Commission, seconded by Commissioner Romero. Mr. Ogren suggested that the Commission could require confirmation of representatives from each participating agency on an annual basis.

IV. PROJECT MANAGEMENT

Mr. Ogren provided a list of project team members to the Commissioners. He noted the County Board of Supervisors had approved an at-will position for a full-time Nacimiento Water Project manager and he provided a handout with the position description. Mr. Ogren recommended that staff interview candidates and bring a recommendation to the Commission meeting in October before bringing the recommended applicant before the Board of Supervisors for approval. Christine Halley will serve as a "special project consultant" and will perform specified tasks under the County's direction, including coordination and monitoring of the project schedule and assistance with lobbying efforts to acquire state funding. Mr. Noel King, Director of Public Works, San Luis Obispo County noted that several consultants are still under contract to perform various tasks on the project, including Boyle Engineering. He also noted that the Flood Control District staff would serve as "staff" on the project. Mr. King said the Flood Control District staff

would provide monthly flow charts and summaries to inform Commissioners about budget and schedule.

V. PROJECT DELIVERY

Mrs. Halley provided an overview of project delivery approaches. She stated our goal was to select the approach that would provide the most favorable bids. The recommended approach is to separate the project into multiple design-bid-build “packages” for design and construction. Some design consultants or contractors may bid on only one or multiple packages – some or all packages may proceed at the same time. Mrs. Halley noted that in accordance with the Article 2 of the agreements, the first set of bid packages were established such that the initial bid(s) must be at least 30% of the project.

Commissioners Brooks and Romero asked various questions about right of way acquisition. Mrs. Halley explained that Hamner-Jewell Associates, the firm that coordinated the right of entry and public information programs, would coordinate right of way appraisals and negotiation. A corridor has been identified for the pipeline route, but rights of way have not been acquired. The project will be designed to traverse property in the least obtrusive manner to minimize the use of condemnation. The most critical areas for right of way are Camp Roberts and the river/stream crossings.

Mr. Ken Weathers, Chief Executive Officer, Atascadero Mutual Water Company asked when a short-term cash flow analysis for initial project activities (including design and right of way acquisition) would be available for determining the funding required for the bond anticipation note. Mr. Ogren stated the short-term cash flow analysis would be available by the October Commission meeting but a cash flow analysis including construction activities would take more time.

Mr. Ogren stated the San Luis Obispo County Flood Control District is funding project activities at this time. Commissioner Brooks asked when the District would begin billing the participants. Mr. Ogren stated this would not be addressed until the January Commission meeting but that the financing schedule will be available next meeting.

Mr. Moss suggested the staff group investigate various state/federal funding options, such as Proposition 50.

VI. OCTOBER MEETING AGENDA

The Commissioners discussed the following future agenda items and requested that agendas be available 2 weeks before the Commission meetings:

- 1) Bylaws, including selection and duties of officers
- 2) Job description for the project manager
- 3) Funding sources
- 4) Running balance for cash flow
- 5) Critical issues
- 6) Team assembly and project delivery
- 7) The role of the Commission

VII. ADJOURNMENT

Chairman Ovitt adjourned the meeting at 4:18 PM.

Nacimiento Project Commission

October 28, 2004

Agenda Item VI – Project Manager’s Report

TO: Nacimiento Project Commissioners

FROM: Christine Halley, Project Engineer

VIA: Paavo Ogren, Deputy Director of Public Works – Administration

Date: October 28, 2004

Since our first meeting in August, the project team has concentrated their efforts on outlining the conduct of the Commission meetings, defining roles of the design team members, planning for design phase financing, and tending to current day management tasks.

With regard to defining team roles, I draw your attention to the project delivery approach discussion item (Agenda Item VI.a). This proposed approach outlines the manner in which we propose to bundle the construction contracts with the goal of positioning the project for the best possible bids. Associated with that (and more time-critical) are definition of the various professional support contracts. With your concurrence, staff is prepared to proceed with the design team selection process. A key project player will be the Nacimiento Project Manager -- see Agenda Item VII-a.



In addition to development of design strategies and project manager recruitment, preliminary financing efforts have also begun. Finance team members include Public Financial Management LLC, bond-underwriting services of UBS Financial Services Inc., and bond counsel/legal services of Fulbright & Jaworski LLP. On September 14th, the Board of Supervisors approved contracts (see attached materials) with these three firms (their selection pre-dated the final water contract approvals since the team also worked on pre-commission work efforts). Also working under a purchase order for project management services is TJCross Engineers (Mrs. Halley). On today’s agenda (Item VII.b) is a proposed extension of that \$25,000 authorization to continue services through 2005, renewable on an annual basis thereafter. The proposed right-of-way contract with Hamner-Jewell Assoc. is also on the agenda (Item VII.c).

A portion of the Nacimiento pipeline is soon to be installed near the 13th Street Bridge in Paso Robles. The city is fronting monies to install that segment to avoid digging up the newly paved intersection. We will discuss a reimbursement arrangement for that project.

You will also find information on both the overall project budget and the forecasted cash flow during the design phase. John Bonow of Public Financial Management has also included a description of various alternatives for funding the design phase and we look for each participant’s decision on how you plan to finance these costs.

We will dedicate some time to discussing critical issues impacting timing and success of the project.

Your feedback on the agenda packet format is welcome. Last, a project binder has been provided to each commissioner and staff member to help organize material pertaining to this Commission.



SAN LUIS OBISPO COUNTY DEPARTMENT OF PUBLIC WORKS

Noel King, Director

County Government Center, Room 207 • San Luis Obispo CA 93408 • (805) 781-5252

Fax (805) 781-1229

email address: pwd@co.slo.ca.us

TO: Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District

FROM: Wendy M. CrawfordHall, Administrative Services Manager

VIA: Paavo A. Ogren, Deputy Director of Public Works - Administration *PAO*

DATE: September 24, 2004

SUBJECT: Nacimiento Water Project – Approve Contracts and Letter of Agreement for the Municipal Finance Team for the Issuance of Bonds for the Project

Recommendation

It is our recommendation that your Honorable Board, acting as the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, approve the attached following contracts and letter of agreement for the Nacimiento Water Project:

1. Contract for Financial Services with Public Financial Management LLC, Exhibit A
2. Contract for Bond Counsel/Legal Services with Fulbright & Jaworski L.L.P. Exhibit B.
3. Letter of agreement for Bond Underwriting Services with UBS Financial Services Inc. Exhibit C, and

Discussion

On January 6, 2004, your Board approved the Final Environmental Impact Report for the Nacimiento Water Project (Project) and directed staff to "carry out" its implementation. On August 17, 2004, your Board approved the executed Water Supply Contracts with the City of San Luis Obispo, the City of Paso Robles, Atascadero Mutual Water Company and the Templeton Community Services District.

At this time, implementation efforts require your Board's approval of the attached contracts and letter of agreement with Public Financial Management (Financial Advisor), UBS Financial Services, Inc. (Underwriter), and Fulbright & Jaworski (Bond Counsel).

The department recommends, and the county's Debt Advisory Committee concurs that sole sourcing the financial services with Public Financial Management Group and bond counsel services with Fulbright & Jaworski is appropriate based on each firm's experience and expertise with the County, the Flood Control District and the San Luis Obispo County Financing Authority. The recommendation to utilize UBS Financial as the Project's Underwriter was the result of a

competitive process including a request for proposal, a selection committee review and interviews. The selection committee included representatives from the City of Paso Robles, City of San Luis Obispo and the County's Debt Advisory Committee. Subsequently, and separately, the County's Debt Advisory Committee reviewed and endorsed all three recommendations for the municipal finance team.

Other Agency Involvement/Impact

Exhibit D is a list of the Participating Agencies that were included in the EIR. The Auditors Office, the Debt Advisory Committee and County Counsel have assisted or reviewed the recommendations and/or professional services contracts and letter of agreement and are in support of this item.

Although the recently formed Nacimiento Project Commission is responsible for reviewing and approving all "substantive matters" for the project, the selection of the finance team was required, before the formation of the Commission, to review draft water supply contracts for consistency with municipal bond requirements. Based on that timing constraint, finance officers of Paso Robles and San Luis Obispo participated in the selection committee, and finance team members, recommended at this time for your Board's formal approval, were identified in the water supply contracts that have been formally approved by the participating agencies.

Financial Considerations

Substantially, all costs related to the issuance of bonds are contingent on the sale of bonds and will be paid out of bond proceeds; those costs are therefore included in the Project's long term debt, which will be paid by the participating agencies. These issuance costs are estimated at approximately one percent (1%) of the project costs or about \$1.5 million of the estimated \$150 million project. Some additional services by Bond Counsel and the Financial Advisor, estimated to be less than \$60,000 and covered by the existing budget for preliminary project efforts, have also been needed for the review of the water supply contracts.

Results

By approving the recommended actions before you today, your Board will enable the Nacimiento Water Project to receive the best possible financial and legal services, and leading to the successful issuance of bonds at the most cost effective structure.

Attachments: Exhibit A: Contract for financial services with Public Financial Management LLC.
 Exhibit B: Contract for legal services with Fulbright & Jaworski L.L.P.
 Exhibit C: Letter of Agreement for bond underwriting services with UBS, Financial, Inc.
 Exhibit D: List of Participating Agencies.

File: CF 230.190. Dams/Nacimiento Water Supply Project

Reference: 04SEP14-C-5

Nacimiento Project Commission October 28, 2004

Agenda Item VI.a – Project Design & Construction Approach

TO: Nacimiento Project Commissioners

FROM: Christine Halley, Project Engineer

VIA: Paavo Ogren, Deputy Director of Public Works – Administration

Date: October 28, 2004

The project management team worked closely with staff at each participating agency to outline a proposed project delivery approach (attached) that describes how the construction contracts would be arranged for the project. The team contemplates up to seven construction contracts and five design contracts, structured to position the project to receive the most competitive bids. More background on the reasoning behind this proposed strategy is contained in the attached document.

To follow through on this approach, we seek your authorization to extend contracts for right-of-way services and project management (Refer to agenda item VII) and to request proposals for base mapping/surveying and the geotechnical report. Estimated budget amounts for each of these contracts are listed in the itemized project budget (Agenda item VI.b). Staff also seeks the Commission's support to distribute requests for proposals/qualifications to other design team members as outlined in the attached project delivery approach.

Recommended Action: That your Commission approve 1) a project design/construction approach based on a “design-bid-build” approach involving up to five design contracts, seven construction bid packages, and separate consultant contracts for geotechnical services, base mapping, and environmental permitting, and; 2) approve the preparation of request for proposals/qualifications and advertising for design and other consulting services.

Nacimiento Water Project

Project Design-Construction Strategy

Overview for Participants – Agenda Item VI.a

Revised October 4, 2004

Prepared by: D. Hardan, M. Nunley, and C. Halley

Purpose: Present options for advancing the project through design and construction to a point where it is delivering water. Lay out approach for assembling project team.

As we embark on assembling the team of professionals that will design and build the Nacimiento Water Project, we do so following a deliberate path – one that positions us to *receive the most favorable construction bids*. After all, the most public money will be spent constructing the pipeline (80% of the \$150 million project budget) and perhaps the highest risks will be posed during construction. Some basic questions come to mind: Is it better to let one construction bid or to break the work into multiple contracts? If we proceed with multiple contracts, is it better to divide the work by pipeline unit or by discipline? Is the classic design-bid-build approach best for this project?

Beginning in November 2003, the project team began a series of discussions regarding project delivery including conferences with other public agencies and interested consultants. Our research and consultation with project participant staff during September 2004 revealed the following.

Is the classic design-bid-build approach best for the Nacimiento Water Project?

The vast majority of construction projects in California are done according to the classic design-bid-build approach that is outlined in the Public Contracting Code. This is not the only approach available to public agencies and we first set out to consider the merits of using an alternative approach for this project.

Design-build projects are those in which the designer teams with a licensed contractor to perform the work. This approach may be advantageous on projects in which performance of one component (such as a pretreatment system) influences the design of subsequent components (such as filtration and disinfectant systems). It is also advantageous on complex mechanical projects when interface among components hinges upon a chosen supplier or when time is critical, although there is some debate in the professional community as to whether design-build saves time as compared to the classic design-bid-build approach. Because the Nacimiento Water Project consists primarily of a pipeline with no outside driver pushing the timeline and because no apparent compelling reason could be identified to divert from standard public works practices, which would require considerable extra coordination and legal input to successfully structure procurement documents along this line, design-build is not recommended for this project.

CM At Risk involves hiring the construction manager for a fixed price, the CM then contracts with licensed contractor(s) to build the project within the funds allocated. If actual costs are lower than forecasted, the CM makes a higher profit. If actual costs are high, the CM absorbs the overrun. The CM At Risk approach is appropriate when a fixed amount of money is available for construction and when the bidding climate is stable. In recent months, steel prices alone have risen more than 30% due to activities on the world trade market, rendering this bidding climate unstable. For this

reason and, again, considering staff's unfamiliarity with this higher-risk construction arena, the CM At Risk approach is not recommended for this project.

The classic design-bid-build approach is one in which the technical attributes of the project are defined by a design engineer in a set of bid documents/technical specifications, the bid packet is distributed for bid on the open market, and the lowest responsive, licensed contractor is awarded the contract. This is the approach routinely used by the County and other public agencies on the Central Coast. Its disadvantage is the sequential nature of the steps to be taken, perhaps taking more time than, say, the design-build approach. Its advantage is the competitive nature of bidding, securing the lowest pricing, and public perception of fairness. This is the recommended approach for the Nacimiento Water Project.

Note that some elements of the project will be approached by issuing a performance specification such as for the tanks. In this case, it is customary for the designer to specify the performance criteria and the tank supplier to provide the design and fabrication details. Similarly, it will be advantageous to follow an alternate approach to the supervisory control and data acquisition (SCADA) system procurement.

Is it better to let one large construction bid or to break the project into several smaller contracts?

The advantage of proceeding with one large contract is having a single party with whom to administer the construction contract. Disadvantages include 1) risk of project completion resting on a single entity; 2) potential construction defect could span the entire 45 miles; 3) approach won't set the stage for sequential, competitive pipeline pricing; 4) many project elements (pumps, intake, controls) would be subcontracted at a marked-up price; and 5) local contractors unlikely to have bonding capacity to bid the project. For these reasons (especially competitive pipeline pricing), several smaller contracts are recommended.

The success of bidding the construction work in several contracts will hinge on sustained communication among designers, issuance of design guidelines for the project (such as a comprehensive hydraulic and surge analysis, common telemetric control system, etc.) and well-planned hand-off points between construction contracts. To ensure that these elements are in place, a value engineering component is included in the proposed project design approach. The value engineer would be responsible for issuing these design guidelines and for seeking out points of coordination among the design and construction contracts.

Is it better to divide the project by pipeline unit or by discipline?

We could bid construction contracts geographically, so to speak, such that one contractor would build, say, the intake tower, Pump Station No. 1, Camp Roberts tank and pump station, and pipeline Units A thru C1. The advantage would be that completion of a construction contract would constitute start-up of a working reach of the project. The disadvantage is that a single construction contract would embrace a variety of disciplines (specialty work at the intake tower, mechanical and electrical work at pump stations, earthwork at tank site, pipeline and control installation), requiring both the designer and contractor to assemble teams competent in all these areas. Further, this approach would likely span environmentally sensitive reaches such that delays in one critical reach could delay completion of the entire contract. For this reason, it is recommended that the construction work be bid primarily by discipline. For example, all pump stations would be bid in a single packet even though they are dispersed along the pipeline. Also, all 36" diameter pipe will be bid in a single packet, which, incidentally, represents the northernmost, reaches of the project.

The proposed breakdown of construction contracts for the project is:

Project Component			Bid Package Number ¹	Designer Assignment ²	
Unit	Size	Component			
A	36" dia	Pipe from Pump Sta No. 1 to Camp Roberts west property line	1 (\$21.4 m)	A (\$2.04 m)	
A1	36" dia	Pipe from Camp Roberts west property line to Camp Roberts tank			
F1	2 MG	Rocky Canyon tank	2 (\$1.6 m)	B (\$1.9 m)	
G2	2 MG	Cuesta Tunnel tank			
A1	4 MG	Camp Roberts tank			
A	2000 Hp ²	Intake tower and Pump Station No. 1 inc. in-station controls/alarms	3 (\$16.6 m)		
B	1600 Hp	Camp Roberts Pump Station inc. in-station controls/alarms			
F2	1100 Hp	Rocky Canyon Pump Station inc. in-station controls/alarms			
All	N/A	Telemetric control system			
All	N/A	Control Building			
A, C, G partial		River/creek crossings	4 (\$6.4 m)		C (\$0.7 m)
D partial		Tunnel reach			
C	30" dia	Pipe from Camp Roberts pump station disch. To Monterey Rd	5 (\$16.5 m)	D (\$3.5 m)	
C1	30" dia	Pipe from Monterey Rd to Paso Robles turnout			
D	30" dia	Pipe from Paso Robles turnout to TCSD	6 (\$16.7 m)		
E	30" dia	TCSD to AMWC			
F	30" dia	AMWC to Rocky Canyon tank inlet			
G	24" dia	Rocky Canyon pump station disch to Route 58	7 (\$13.8 m)		E (\$1.4 m)
G1	20" dia	Route 58 to Cuesta Tunnel tank inlet			
H	20" dia	Cuesta Tunnel barrel (exist)			
H1	20" dia	Cuesta Tunnel to SLO WTP			

¹ Estimated construction value or design fee noted.

² Horsepowers listed are total power requirements for active pumps and exclude the standby pump.

The first three proposed bid packages represent approximately 40% of the total estimated construction cost, allowing the team to forecast costs-to-complete per Article 2 of the participation agreements. These are also good project elements to prioritize in that they envelop aspects of the project for which it is hard to estimate costs accurately (i.e. the heavily regulated river crossings and the market-driven tunneling work) and when completed, will allow initial water deliveries to the northernmost participants. In other words, once these bid results are in hand, the team can more accurately forecast construction costs for the remainder of the project and begin water deliveries once the initial work is complete.

This is not to imply a planned delay between deliveries to North County agencies as opposed to deliveries south of Cuesta Grade. It is intended that the construction bids be awarded over a period of weeks and that construction proceed all the way to the San Luis Obispo turnout.

What needs to be done to assemble the project team?

Once we are in agreement on a project delivery approach, requests for proposals/qualifications for the priority designers (A, B, and C) should be distributed. Other professional services to be secured include right-of-way specialists, geotechnical services, base mapping, and environmental/permitting support.

Nacimiento Project Commission

October 28, 2004

Agenda Item VI.b – Design Phase Financing

TO: Nacimiento Project Commissioners

FROM: Christine Halley, Project Engineer

VIA: Paavo Ogren, Deputy Director of Public Works – Administration

Date: October 28, 2004

One of the more critical project management tasks is cost management, i.e. seeking out ways to contain costs without compromising efficient long-term operations. Each meeting of the Commission will include a financial report, noting not only costs-to-date, but forecasting costs remaining in each phase of the work. We aim to be succinct in our regular financial reporting to the Commission, adding more detail as needed for specific project elements or when considering annual budget adoption. Along that line, we have included an itemization of the \$150 million project budget (i.e. the “Project Budget Reporting” table) to illustrate the anticipated expenditures associated with major project elements.

The bulk of financing for the construction of the project will come from Revenue Bonds, which will be sold once construction contracts are let. Financing of design phase activities (mapping and geotechnical work, professional design services, right-of-way and legal services, project management support and public outreach, etc.) must be arranged. An estimated \$18.9 million in design phase costs will be incurred prior to the sale of bonds as listed in the attached “Design Phase Funding Requirements Projected Cash Flow”.

Three options exist to finance the design phase costs:

1. Participants provide all the cash and pay as we go. (May require an agreement for a “payment plan” as opposed to a lump sum payment.)
2. Participants finance some of the design phase costs and issue bond anticipation notes to fund the balance.
3. Bond anticipation notes are issued for all of the design phase costs.

Information from our project financial advisor, John Bonow of Pacific Financial Management, regarding these alternatives was provided to participant financial officers in the weeks preceding this meeting, including the attached “Pre-Construction Financing Schedule”. A meeting with each participant’s financial officers is planned for the first week of November to discuss the upcoming decision regarding design phase financing.

Recommendation Action: Approval of a payment plan concept for participants desiring to pay as we go for design phase activities. Set December 9th (the next scheduled Commission meeting) as the date for participants to indicate their desired method of design phase payment.

Nacimiento Water Project

Project Budget Reporting

Latest Update 10-14-04

	Initial Budget ¹	Revised Item Cost ²	Comments
Design Phase Anticipated Costs (July 2004 through August 2006)			
Project Management	\$1,250,000	\$1,250,000	Includes County Project Manager, support staff, consultant support, and legal fees
Environmental	\$800,000	\$800,000	Includes design assistance, permit applications, and agency coordination.
Survey and Base Mapping	\$150,000	\$150,000	
Geotechnical Investigation	\$500,000	\$500,000	
PG&E Service Extension	\$1,100,000	\$1,100,000	Initial estimate to extend power to proposed facilities
Right of Way Consulting Services	\$500,000	\$500,000	Includes appraisals, title reports, and communication/negotiation with property owners
Property Acquisition ³	\$2,000,000	\$2,000,000	
Construction Mgt/Constructibility Review	\$2,000,000	\$2,000,000	Initial CM services authorization
Engineering Design ⁴	\$9,600,000	\$9,600,000	
Design Phase Budget Reserve	\$1,000,000	\$1,000,000	
SUMMARY - DESIGN PHASE	\$18,900,000	\$18,900,000	
Construction Phase Anticipated Costs (August 2006 through August 2009)⁵			
Project Management			
Engineering Project Manager	\$1,050,000	\$1,050,000	Consultant services est at \$350K/yr
County Project Management Team	\$375,000	\$375,000	County staff time est at \$125K/yr
Legal	\$900,000	\$900,000	Est. at \$300K/yr
			Contingency item (estimated as approximately 5% of construction cost) for pipeline realignment, special construction techniques, and other costs incurred due to unforeseen environmental issues
Environmental Mitigation	\$3,700,000	\$3,700,000	
Materials Testing	\$300,000	\$300,000	
Construction Management	\$4,200,000	\$4,200,000	Est. at 5.5% of construction cost, inc design phase
Environmental Monitoring	\$1,800,000	\$1,800,000	Includes cost for cultural and biological monitors during construction
Construction Contracts	\$93,020,000	\$93,020,000	
Construction Phase Contingency and Reserve	\$24,211,000	\$24,211,000	
SUMMARY - CONST. PHASE	\$129,560,000	\$129,560,000	
Prior Expenses			
Advance Expenditures ⁷	\$513,000	\$513,000	
Cuesta Tunnel	\$1,031,000	\$1,031,000	Includes construction of Nacimiento Water Project pipeline section through Cuesta Tunnel
TOTAL PROJECT*	\$150,000,000	\$150,000,000	

* Rounded to \$100k

¹ Original project budget per Project Cost Estimate (4/22/04) and as stated in Participation Agreements

² Updated budget as of design progress and planning to date

³ Right of way budget per Hamner-Jewell estimate (12/11/02)

⁴ Original design budget estimated at approximately 8% of construction costs. Reserve budget item is approximately 10% of design

⁶ Based on presumed start up in mid-2009. Administrative and project management costs will increase if construction extends beyond 20

⁶ Original budget estimated as 25% of total construction budget plus an additional \$1m and allowance for advance expenditures

⁷ Based on Board policy statement dated February 2004

Nacimiento Water Project
Design Phase Funding Requirements
Projected Cash Flow

Revised 10-14-04

		Projected Cash Flow ¹									Remaining after 3rd quarter '06	Totals by Participant
		2004		2005				2006				
Activity	Est. Cost ²	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3		
Project management, legal, and administration	\$620,000 per yr	\$155,000	\$155,000	\$155,000	\$155,000	\$155,000	\$155,000	\$155,000	\$155,000		N/A	
Design contracts (A and B), env. Permitting contract, geotechnical report, mapping, and right-of-way coordination contracts	\$5,050,000 LS			\$685,357	\$685,357	\$685,357	\$685,357	\$685,357	\$685,357	\$685,357	\$252,500	
Design contracts (D, E, F, G)	\$8,600,000 LS				\$1,361,667	\$1,361,667	\$1,361,667	\$1,361,667	\$1,361,667	\$1,361,667	\$430,000	
Initial construction management contract	\$2,000,000 LS						\$333,333	\$333,333	\$333,333	\$333,333	\$666,667	
Right-of-way purchases	\$2,000,000 LS					\$500,000	\$500,000	\$500,000	\$500,000		\$0	
Totals =	\$18,890,000 LS	\$155,000	\$155,000	\$840,357	\$2,202,024	\$2,702,024	\$3,035,357	\$3,035,357	\$3,035,357	\$2,380,357	\$1,349,167	\$18,890,000
Paso's share >>>		\$64,382	\$64,382	\$349,059	\$914,655	\$1,122,340	\$1,260,796	\$1,260,796	\$1,260,796	\$988,729	\$560,403	\$7,846,339
AMWC's share >>>		\$32,190	\$32,190	\$174,525	\$457,316	\$561,156	\$630,383	\$630,383	\$630,383	\$494,353	\$280,195	\$3,923,075
SLO City's share >>>		\$54,403	\$54,403	\$294,957	\$772,888	\$948,383	\$1,065,380	\$1,065,380	\$1,065,380	\$835,482	\$473,544	\$6,630,201
TCSD's share >>>		\$4,024	\$4,024	\$21,816	\$57,165	\$70,145	\$78,798	\$78,798	\$78,798	\$61,794	\$35,024	\$490,384

5% remaining for design
phase services
5% remaining for design
phase services
extend CM into
construction phase

¹ Estimated quarter in which payments would be due to consultants.

² Estimated activity cost per D. Hardan and C. Halley, 9-14-04.

³ Estimated agency cost based on Delivery Entitlement Share per Article 16.C.5 of the participation agreements.

It is understood that once construction of the Project is approved, actual costs will be distributed per unit costs as stipulated in the agreements.

**County of San Luis Obispo
Nacimiento Pipeline Project
Pre-Construction Financing Schedule
Draft as of October 12, 2004**

October 2004						
Su	M	Tu	W	Th	F	Sa
						1 2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November 2004						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December 2004						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

January 2005						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February 2005						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

<u>Date</u>	<u>Task/Event</u>	<u>Responsible Party</u>
October 2004	Finance team determines financing options, related security requirements and associated (estimated) costs for BOTH the financing phases (design and construction)	U, BC, UC, FA, County
November 2004	Meeting with finance directors of participants	P, U, FA, County
	AMWC decides on preferred tax status	All (as requested)
	Utility information due from Project Participants	P
	Quantification of pre-construction costs given to Participants	County, FA, U
	Participants determine need/desire to participate in the pre-construction financing	P, County, FA
	Draft financing documents	BC, UC, County
	Presentations to Rating Agencies and Bond Insurer(s), as applicable	County, FA, U, (P)
December 2004	Receive Bond Rating(s) and Bond Insurance Commitment, as applicable	County
	Finalize/revise financing documents	All
December 9	Nacimiento Commission meeting	
Dec.'04-Jan.'05	Distribution of POS (if applicable)	U, UC
January 6-7	Marketing/pricing of Notes	U
January 13-14	Pre-closing and Closing	All

County SLO County
 BC Bond Counsel (Fulbright & Jaworski)
 FA Financial Advisor (PFM)
 P Project Participants
 U Underwriter (UBS)
 UC Underwriter's Counsel (Orrick)

Nacimiento Project Commission

October 28, 2004

Agenda Item VII.a – Hiring of Project Manager

TO: Nacimiento Project Commission

FROM: Paavo Ogren, Deputy Director of Public Works - Administration

DATE: October 28, 2004

SUBJECT: Agenda Item VII.a – Hiring of Project Manager
Report on recruitment efforts for Nacimiento Project Manager and discussion of job description.

Recommendation

Receive verbal status update on recruitment efforts and consider approval of the recommended candidate if one is introduced .

Discussion

At our August meeting, Paavo Ogren and Noel King described the County Public Works Department's proposed approach to staffing the Nacimiento Project, emphasizing the hiring of a full-time County employee as project manager. The job description and announcement for that position is attached. In addition to being listed in *Jobs Available*, a listing of public sector employment opportunities, the position was recently advertised in The Tribune along with other trade magazines/web sites. As of this date, approximately 15 individuals have expressed an interest in the project management position.

County staff will report on progress toward filling that position at our October meeting and, if appropriate, discuss the applications received to date. Screening of written applications has been complete, interviews with certain candidates is expected prior to the Commission hearing, and the recommended candidate, if any, may be introduced.

Financial Considerations

Recruiting for the position is intended to be based on the same salary as paid to the County Utilities Division Manager and the other division manager/Engineer V positions at the County. The annual salary range for those positions is now \$78,480 - \$95,388, plus benefits. The Board of Supervisors will set the final salary for the Nacimiento Project Manager dependent upon the employee qualifications and terms of employment. The position is funded by the Nacimiento Water Project Fund (0649).

Results

Approval of the recruitment approach for the Nacimiento Project Manager position will encourage qualified applicants to apply and allow us to assess the interest in this important position for the project.

Attachments: Nacimiento Project Manager job announcement and specification



Project Management – **Nacimientto Water Project**

The County of San Luis Obispo, California (Salary - \$6,540 - \$7,949 / mo. plus full management level benefits; higher compensation may be negotiated depending on qualifications). This position is not a Civil Service Position and will serve at the will and pleasure of the County Public Works Director.

The County of San Luis Obispo is currently seeking a qualified candidate to lead project management efforts to implement the recently approved 45 mile pipeline project, with lake-side intake facilities, pumping facilities, storage tanks, and other appurtenant facilities. Project management efforts will include, among other related efforts, supervision of staff and providing direction to consulting teams that will work on final planning, design, environmental permitting, funding and budget control, right of way, negotiations and relations with local, state and federal agencies, and construction.

The qualified candidate will have the ability to prepare written reports and verbally present information and recommendations to the Nacimientto Commission, the County Board of Supervisors, and stakeholder groups including local agencies participating in the project. A Bachelor degree in Civil Engineering or closely related field is required, plus seven years of increasingly responsible experience as a Registered Civil Engineer including serving as a project manager or resident engineer on complex public works construction projects. For additional qualification information and application materials contact the San Luis Obispo County Public Works Department at (805) 781-5252. This position will remain open until filled.

PERSONNEL DEPARTMENT
San Luis Obispo County

NACIMIENTO PROJECT MANAGER

DEFINITION:

This is a non-Civil Service, at-will employment position that functions under general direction of the Director of Public Works or designee, plans, organizes and directs the activities of a major temporary division within the County Public Works Department; performs varied and complex engineering work; project management; and other related work on the implementation of the Nacimiento Water Project as required

REPRESENTATIVE DUTIES:

(Not in order of importance)

- Plans, organizes and directs the operations, activities and fiscal functions of the Nacimiento Water Project; writes reports and makes recommendations on project implementation issues; exercises independent judgment in carrying out work assignments; assures the administration of related activities comply with established standards, laws, codes, regulations, policies and procedures;
- Supervises, directs and evaluates and/or coordinates the work of a professional and/or technical County employees engaged in carrying out the final planning, design, and construction of the Nacimiento Water Project; assign duties and review work to assure compliance with established guidelines and procedures; ensure compliance with Division, County, State and Federal regulations, policies and procedures.
- Supervises or coordinates with outside professionals in the various disciplines that will be involved in the project's implementation including project management assistants, design engineers, land surveyors, construction engineers and contractors, traffic engineers, environmental professionals, water resource specialists, right of way specialists, financial advisors, and accounting, administrative, and legal professionals.
- Assists in the preparation of the budget for the Nacimiento Water Project; monitors consultant budgets; assures project is administered within budget limits.
- Represents the department before The Nacimiento Commission and other agencies involved in project implementation; assures all presentations are in alignment with County goals and objectives for the project; prepares and distributes Nacimiento Commission agenda materials in a timely manner; keeps Director of Public Works or designee informed on project issues.

EMPLOYMENT STANDARDS:

Knowledge of:

- The principles, materials and methods used in the planning, design and construction of large scale Water Project
- California State requirements and County policies applicable to professional service and construction contracts
- Principles of governmental budget preparation and control
- Principles of and practices of personnel management
- Related computer applications and operations

Ability to:

- Establish and maintain good working relationships with members of the Nacimiento Commission and its committees, subordinates, supervisors, other County departments, other local agencies participating in the Nacimiento Water Project, other commissions and regulatory agencies, contractors, and the public
- Implement direction and policies of the Nacimiento Commission, the County of San Luis Obispo and the Department of Public Works
- Obtain and analyze the necessary facts required to solve design, construction, and implementation problems, including consideration of future operational and maintenance problems
- Present clear and concise written and oral reports
- Interpret, apply and explain related laws, codes, rules, regulations, policies and procedures
- Supervise, train and evaluate the performance of assigned staff

EDUCATION AND EXPERIENCE:

Graduation from an accredited four-year college or university with a Bachelor's Degree in Civil Engineering or a closely related field. (Job-related professional level civil engineering experience may be substituted for the required education on a year-for-year basis.) In addition, seven years of increasingly responsible experience as a Registered Civil Engineer which must include serving as a project manager or a resident engineer on complex or major public works construction projects.

LICENSES/CERTIFICATES:

Possession of a valid California Certificate of Registration as a Civil Engineer, which must be maintained throughout employment.

This class specification generally describes the duties and responsibilities characteristic of the position(s) within this class. The duties of a particular position within a multi-position class may vary from the duties of other positions within the class. Accordingly, the essential duties of a particular position (whether it be a multi-position class or a single-position class) will be identified and used by medical examiners and hiring authorities in the selection process. This information will also be made available for review at the time of any recruitment for that position and at such other times as reasonably required.

Adopted:
Revised:

Nacimiento Project Commission October 28, 2004

Agenda Item VII.b – Extension of TJCross Contract

TO: Nacimiento Project Commission

FROM: Paavo Ogren, Deputy Director of Public Works - Administration

DATE: October 28, 2004

SUBJECT: Agenda Item VII.b – Extension of TJCross Contract
Consider extension of contract with Christine Halley, TJCross Engineers, for project engineering services

Recommendation

Recommend approval of contract extension for TJ Cross through calendar year 2005 in the amount of \$100,000.

Discussion

Major efforts underway for the \$150 million water resource project center around assembly of the design team and securing design phase financing. Much lead work will precede hiring the design team such as distributing requests for proposals and interviewing consultant teams. Meanwhile, recruitment is underway for the Nacimiento Project Manager. Until the recruitment is complete and the new employee is up-to-speed on the project, consultant services are needed to manage the lead work on the project.

In August of this year, the County issued a \$25,000 purchase order to TJCross Engineers for project management services under the direction of Christine Halley. At the current pace of support, that contract will expire in November. An extension of the contract is proposed to sustain project management services through 2005, renewable annually thereafter. The total professional services fee authorization would increase to \$125,000, which includes the initial purchase order amount.

The scope of services over the next year would include:

- Maintain a current cash flow projection and tailor budget reporting for activities through design and construction phases.
- Maintain a project schedule and description of critical path items to assist in directing the work efforts of the overall project team.
- Assist in agenda packet preparation for Nacimiento Project Commission and staff meetings after November.
- Write requests for program management, design, and other professional service qualifications statements, arrange interview panels, and assist with consultant selection process.
- Assist in managing the professional and construction contracts associated with project execution.
- Extend other project management activities and coordinate the many project activities with the project manager.

- Other project related services as needed.

Financial Considerations

The proposed TJCross contract extension would be funded by the Nacimiento Water Project Fund (0649).

Results

Consistent project management will contribute to the efficient delivery of the overall project.

Nacimiento Project Commission October 28, 2004

Agenda Item VII.c – Extension of Hamner-Jewell Contract

TO: Nacimiento Project Commission

FROM: Christine Halley, Project Consultant

VIA: Paavo Ogren, Deputy Director of Public Works - Administration

DATE: October 28, 2004

SUBJECT: Agenda Item VII.c – Extension of Hamner-Jewell Contract
Consider extension of contract with Hamner-Jewell & Associates for right-of-way acquisition services

Recommendation

Recommend approval of contract extension with Hamner Jewell & Associates in an amount of \$400,000.

Discussion

The proposed Nacimiento Water Supply Project (Project) consists of approximately 45 miles of pipeline, with storage tanks, pump stations and appurtenant facilities for the purpose of conveying up to 15,750 acre feet of water from Lake Nacimiento to local water agencies within the boundaries of the San Luis Obispo County Flood Control and Water Conservation District (District). On January 6, 2004, your Board certified the Environmental Impact Report on the Project and adopted the Notice of Determination, which directed staff to “carry-out” those actions needed to implement the “raw water” alternative. On February 24, 2004, your Board approved the draft water supply contracts and project policies and subsequently executed contracts with the cities of El Paso de Robles and San Luis Obispo, Atascadero Mutual Water Company, and Templeton Community Services District. The Nacimiento Water Project is currently estimated to cost \$150,000,000. The project includes substantial efforts in the arenas of design, environmental permitting and mitigation, right of way negotiations, coordination with participating agencies and the Nacimiento Project Commission, obtaining municipal finance, legal review and other detailed project tasks. Design is expected to begin in 2005; with construction commencing in the summer of 2006, at the earliest, and completion of construction tentatively anticipated in 2010.

Right-of-way must be acquired along much of the 45-mile pipeline alignment, affecting some 62 parcels. On May 17, 2001, the Flood Control District entered into a purchase order with Hamner Jewell & Associates to coordinate rights-of-entry during the environmental assessment phase as well as to keep affected property owners informed as to the contemplated project. Since that time, Hamner Jewell has continued to be the point of communication with property owners, responding to their inquiries regarding possible impacts on their properties.

The staff at Hamner Jewell have established good rapport with people along the proposed pipeline route and their ongoing presence will lend credibility and continuity to the Flood Control District’s right-of-way negotiations that lie ahead. Because of this unique involvement to date and in light of the importance of maintaining consistent dialogue with affected property owners,

the Public Works Department recommends issuance of a sole-source contract with Hamner Jewell & Associates to extend their services through the right-of-way acquisition phase. Estimated property values at this preliminary stage range from \$2 to 3 million.

The Hamner-Jewell scope includes:

- A. CONSULTANT shall provide to DISTRICT Right of Way Acquisition and access coordination services for the Nacimiento Waterline Project within the County of San Luis Obispo as described herein.
- B. CONSULTANT shall review the previously developed database listing of properties and property owners and CONSULTANT shall refine and update said listing to include any additional private ownerships and/or changes in ownership that have occurred since the original database was developed or that occur in conjunction with the detailed design stage of the Project.
- C. CONSULTANT shall update the database characterization of all listed parcels to identify which parcels are within the Project's pipeline alignment and have been confirmed by CONSULTANT to require right of way acquisition versus which parcels are adjacent to Project's pipeline alignment and therefore will be only indirectly impacted by Project.
- D. CONSULTANT shall work with DISTRICT's project design team and coordinate obtaining owner permissions for necessary access during the design stage of the Project, for surveying, biological studies, archeological studies, project team and permitting agencies' inspections, soils testing, and appraisal inspections.
- E. CONSULTANT shall work with DISTRICT'S design team relative to utility coordination necessary for the Project. Specifically, CONSULTANT shall be available to review utility right of way issues where potential physical conflicts between existing utilities and the proposed Project alignment are identified by the design team, and shall provide analysis and recommendations for discussions and agreements between DISTRICT and utility companies regarding relocation coordination, costs, encroachment permits, and/or common use agreements.
- F. CONSULTANT shall obtain for DISTRICT preliminary title reports from a local title insurance company on each of the parcels that are identified as being impacted by the planned acquisition of easements or other property rights for the Project. Although the exact number of parcels may change as detailed Project design proceeds, for purposes of this contract it is estimated that 62 parcels will require title reports, appraisals, and the acquisition of property rights.
- G. CONSULTANT shall coordinate and participate in meetings between DISTRICT, Project representatives and property owners, to facilitate resolution of alignment issues and address property owner concerns and/or objections in conjunction with finalizing Project design details and moving into the appraisal and right of way acquisition stages of the Project. CONSULTANT will also provide information regarding generic property owner interests that may be useful for incorporation into DISTRICT Project publications and web-site postings.
- H. Once Project design plans have progressed to a level of certainty that allows for the detailed identification of easements required for the Project, DISTRICT shall prepare and provide CONSULTANT with easement legal descriptions, area calculations, and plats, which CONSULTANT shall provide to and coordinate with a local appraiser and obtain

right of way appraisals on behalf of DISTRICT to be used for the basis of right of way acquisition purchase offers.

- I. Once appraisals are obtained, reviewed, and approved by DISTRICT, CONSULTANT shall prepare and present purchase offers on behalf of DISTRICT and negotiate on DISTRICT'S behalf to finalize mutually acceptable right of way acquisition agreements. CONSULTANT shall coordinate closely with DISTRICT staff throughout such process by preparing and providing proposed offer and easement document formats for DISTRICT pre-approval, and confirming formats, terms, and conditions acceptable to DISTRICT.
- J. CONSULTANT will process obtained DISTRICT-accepted agreements through an escrow to closing, assuring deeds recorded on DISTRICT'S behalf.

Financial Considerations

The proposed Hamner Jewell & Associates contract extension would be funded by the Nacimiento Water Project Fund (0649). The above-described services would be provided on a time-and-materials basis for a fee not to exceed \$400,000.

Results

Consistent dialogue with affected property owners will contribute to the efficient delivery of the overall project.